EI# 1290

2507 Stower St.
Miles City, MT 59301
December 5, 2004

Surface Transportation Board
Case Control Unit
Washington, DC 20423
Attn: Kenneth Blodgett
STB Docket No. FD 30186 (Sub-No. 3)

Re: Tongue River Railroad Company, Inc. – Western Alignment
Draft Supplemental Environmental Impact Statement

Dear Mr. Blodgett and Members of the Surface Transportation Board:

This supplemental study does not adequately address the impact of the proposed Tongue River Railroad in the context of current conditions. I am confident the Board would find the Western Alignment and the entire proposed railroad route unnecessary if the EIS included all of the facts.

There is no representation that Tongue River Railroad Company proposes to transport agricultural commodities, passengers, or anything except coal. The EIS correctly states that all of the coal mines in this area now have rail service. Proponents assume that new mines will be opened by this railroad; such statements are speculative and prospective.

Proponents also envision that coal fired electrical generating plants will follow the rail service along its route. The logic is flawed because this is a largely uninhabited area with no market to be served by generating plants.

The only generating plant currently under construction in this area is the small 160 megawatt Centennial project at Hardin, MT; it is already served by Burlington Northern Santa Fe railroad. Existing high voltage transmission lines are already used to capacity; new lines will be required to reach distant urban markets with coal generated electricity.

In short, Tongue River Railroad will not insure that there is an investment in electrical generation and transmission lines needed to open new coal mines along the route.

The other option is transportation of coal to urban markets already served by Montana mines.

Montana coal is covered by more over-burden (dirt) atop thinner seams of coal deposits than coal mined in Wyoming. All other things being equal, this gives Wyoming mines a

competitive advantage by lowering the cost of mining. However, Wyoming coal moves over a roundabout route to Midwestern markets, so Montana coal has a competitive advantage because of lower transportation cost. The Tongue River Railroad will cut 200 plus miles from the distance to market for Wyoming coal. This offers new opportunities for Wyoming coal as to existing mines and new mines, if any new mines are developed.

However, the proposed railroad offers limited opportunity to Montana coal. Indeed, if sales of Montana coal are displaced, Montana may actually experience economic losses. The Tongue River Railroad EIS omits critical analysis of socio-economic alternatives.

The EIS offers considerable data (provided by Tongue River Railroad) describing the payroll and economic contribution of construction and operations. Clearly, some benefit will be derived, but the fact is that a large construction force must be recruited outside the area. There are not that many trained and experienced construction workers in the four rural counties impacted by Tongue River Railroad.

The EIS does not include an analysis of infrastructure requirements – and the related cost to local governments. This is a vast area served by a few narrow, winding, unpaved country roads. State highways are narrow two lane roads not built to the capacity of the interstate highway system. They are completely inadequate for the traffic volume required to move personnel, equipment and materiel during construction of the Tongue River Railroad.

The EIS is also silent on the matter of Coal Bed Methane (natural gas) production proposed for the area affected by Tongue River Railroad. Energy companies now hold hundreds of thousands of oil and gas lease acreage in this area – with a prospect of thousands of wells to be drilled and produced in the future. The actual number of wells is a matter of speculation but the proposed development has been studied and reported by the U.S. Department of Interior, Bureau of Land Management.

Coal Bed Methane development impact should be included with the Tongue River Railroad EIS because the operations will coincide; meaning that the overall effect on this area far surpasses the impact of the Tongue River Railroad alone.

The EIS does not address the problem of funding the roads, utility services, housing and related government services such as schools and law enforcement that will become the responsibility of local governments following the influx of personnel that will occur with the Tongue River Railroad construction and Coal Bed Methane gas exploration and production. Mitigation measures stated in the EIS are vague and uninformative.

The area is currently suffering a protracted drought; reclamation of disturbed soil will be very difficult or impossible without adequate moisture to support plant growth. Without ground cover, soil erosion and wind erosion is likely to damage water quality in the Tongue River. Dust created by heavy traffic on unpaved roads and construction activity will significantly damage air quality.

Referring to the testimony before STB at a hearing in Miles City, MT on November 16, 2004, the general tenor of favorable comment was a non-specific assertion that this area needed the perceived - but vague and unspecified - pecuniary benefit of Tongue River Railroad. Proponents did not offer any analysis of the socio-economic costs of development nor did they offer solutions to the problem of funding the infrastructure necessary to support their aspirations to construct railroads, open coal mines, and generate electricity that would be sold in distant urban markets.

In conclusion, the supplemental EIS does not offer a current, accurate statement of the impact of Tongue River Railroad in the context of current conditions. It should be rejected and rewritten. If Tongue River Railroad serves only as a conduit for Wyoming coal, the plan should be abandoned in favor of linking to another railroad – the Dakota, Minnesota & Eastern Railroad, for example.

Very truly yours,

Gary W. Huckins

Encl: Original plus two (2) copies